

COVID-19 effect on public procurement and its performance in the EU region

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Abstract

There is no area of life that coronavirus disease would not have been effected by, not without the field of public procurement. Besides the emergency situation, governments need to secure supply of essential goods and services, not only related to health care, but also in order to maintain public services and take care of wellbeing. Citizens' expectations towards the performance of public procurement (efficiency, effectiveness and economical) meanwhile did not change, and are at least on the same level as pre-COVID". The aim of this study is to evaluate the high level general impact of Covid19 on public procurement and its performance. The outcome of the study is varied. There is no significant change in the total figures of the issued notices, also no change in the issuing authorities, so general picture shows stable trend. Indicators of evaluating the performance, include using less economical tenders type increase, which can lead to performance loss, but meanwhile indications of using the most economic tender criteria has been increased, which indicate better performance.

Keywords: public procurement, performance, covid19, challenge

Introduction

Pandemic situation has presented unexpected challenges for everyone, during emergency time fast reaction needed and put remarkable stress on all countries. Especially in case of governments, where in addition to securing public health and safety of the citizens, and wellbeing of them, governments need to ensure public services continuity, as well as maintenance of basic and relevant infrastructure. An average of 29% of total government expenditures are spent through public procurement, representing 12% of GDP. Public procurement is a critical policy area that can ensure the sound management of public finances while maximising impact for citizens. A 1% saving in procurement expenditures might even represent EUR 43 billion per year based on OECD figures. (OECD 2017)

COVID-19 has triggered a global crisis, which seems to be leading to the deepest global recession since the second world war. The baseline forecast is an 5.2 percent contraction in

global GDP in 2020 worldwide. Advanced economies are projected to shrink by 7 percent in 2020, as widespread social-distancing measures, a sharp tightening of financial conditions, and a collapse in external demand depress activity, meanwhile Euro Area output is expected to contract by 9.1 percent, with a gradual recovery late in the year. (WBG 2020)

The pandemic also presented the world with an unprecedented public health challenge. Worldwide demand for medical products to fight the pandemic is unprecedented. All countries are highly dependent on international trade and global value chains to source sometimes even life-saving products. An additional complicating factor is the growing number of export prohibitions and restrictions; based on World Trade Organization figures at least 80 countries and separate customs territories have introduced export prohibitions or restrictions as a result of the COVID-19 pandemic. (WTO, 2020), also included the European Union (EU), who announced emergency export restrictions on some hospital supplies that its medical workers need. (Bown 2020)

By this time, it's clear that the pandemic has short, mid and long term impact not just on the economic but every aspect of life, where public procurement is also highly impacted and involved.

Public procurement faced very hard times on global level, as never before. All public services needed to be maintained, and kept running, ongoing contracts needed to be managed, beside even crucial, critical items supply were hard to secure. The whole supply chain pace increased. Not just from the demand side, but also from procuring process side. The final outcome are social and economic consequences which are more visible. Traditional supply chains have been changed, even some has been broken, several logistical issues suddenly appeared (limitation of trucks availability, border closures, displacement of trade balance), difficulties in the communications, all in all whole life-and work styles were forced to change suddenly.

How a government responds to a disaster says "a great deal about the accountability and transparency of the government institution, and whether the institution itself constrains or encourages official behaviour in a way that is favourable or hostile to community interests" (Atkinson et al 2012). Mishandling of the situation, including, but not limited to public procurement, can easily lead to shortages of essential goods and services. Most of the market effects like shortages from essential goods and services would be avoidable with proper procurement related risk management.

Public Procurement has a significant impact on the performance of national economies and societal well-being. Governments expenditure represents a gross value added of 10-15% of GDP in most of the countries, which generate a strategic base role of it. Public procurement performance measurement is a key strategic tool to ensure the realization of policies and economic targets of the governments. Times of crisis trigger chaotic situations. In crisis

situations, as that which occurred during the covid first wave, a number of other factors needs to be considered than in normal times.

Also general opinion, that cozy relationships between the public and private sector can undermine fairness and transparency in contracting, seems to be underlined, recent pandemics related events unfold, emerging evidence will likely confirm that disasters provide endless opportunities for corrupt contracting between the public and private sector. (Atkinson 2020). There is higher risk on market manipulation in crises times, where more effort needed to keep transparency, and trust in the state management.

As a result, targeted and effective public investment and public procurement processes are more important than ever, meanwhile the expectation is that key performance figures shows a worthier picture than in dormant period. Beside the traditional performance objective of quality and price of the item or service being purchased, today additional performance indicators are also included, such as transparency, rigor, and ethics in the procurement process, more recently sustainability, collaborative aspects also added.

J. Schultz examined corruption in emergency procurement reduces. Its proved that crisis situations have always provided ripe ground for corruption: financial controls are reduced, funding levels can soar, and staff change frequently (Schultz at al 2008), thus in emergency time performance of public procurement can easily and quickly start to deteriorated without proper processes and measurement in place.

The aim of the study is to evaluate high level general impact of the pandemic on public procurement and its performance. During the work two main hypothesis were examined. First part focus on the evaluation of the high level general effect of pandemic crises situation on public procurement, with the assumption that number of published notice during main crisis time is more than normal times (H1a), as governments needed invest suddenly in health care equipment's and tools, and also the limited availability resulted in panic buying situations on some markets, which saw a significant demand drop in a short time frame. During the study, it is considered also that a pandemic situation has impact on the buying authorities' combination (H1b). A base consideration is that for example, higher number of the health related tender will indicate an increase of the share of tenders, issued by the ministry and any other national or federal authorities, so the preliminary hypothesis is that in pandemic time, ratio of tenders issues by ministries are higher than in normal times.

Finally, on the general trends, examination was done on the change between the different type of contract, with hypothesis that, during the first wave supplies related purchases' numbers increased in the European Countries (H1c). During the first crisis, all countries were suffering to get initial basic equipment's, mostly related to health care. Services and works considered to be less important, thus less in total percentage, in emergency situation.

Second main question of the study is related to the performance evaluation, and assumes that pandemic situation has negative effect on public procurement performance. Two hypothesis were established to evaluate situation based:

- Tenders with lowest price award criteria should increase during the first covid wave (H2a).
- During pandemic situation public procurement buyers rather use less competitive procedures (H2b).

The main geographical focus of the study is the European Economic Area.

1. Public procurement responses and the methodology of the study

1.1 Covid crisis management, in the area of Public Procurement

In the beginning of the crisis public procurement turned to disaster procurement rapidly. Even if governments are prepared for crisis handling in terms of public procurement, the challenge were and still there for everyone. This unknown and unexpected situation, required fast decisions and actions, while legacy, accountability and transparency still needs to be maintained. Governments turned to risk management mode, where public procurement effectiveness were likely reduced due to emergency situation handling.

Production of goods interrupted, or even stopped in some cases. Possible sources for some of the items became limited, even possibly one source was able to deliver, and time pressure was so huge that there was no chance to run competitive procedures. All these quick changes requested prompt action from the public sector, in some cases, without the possibility of preparation. The COVID19 challenge is huge and there are several different answers globally.

Generally emergency public procuring is not a new concept. There are countries worldwide where special processes for tendering and contracting were already in place. EU Directives guidelines provided, even before covid time, more possibility to handle force major, disaster situation, where long and competitive processes are not possible to fulfil. There is three option proposed to use the direct award, or applying shorter time limits in competitive procedures and the usage of framework agreements (2014/24/EU 2014). These possibilities usually completely (like in Hungary) or partially adopted into the local public procurement regulation.

In connection with public procurement, OECD split three phases that involve the pandemic. In the first phase entities dealing with public procurement need to act mainly rapid. Mostly reactive procurement and infrastructure responses are given, to provide immediate relief amid critical events that have a direct impact on life or public safety and where any delay would result in increased harm to individuals and the community. In the second phase there is already the opportunity for re-assess the situation, gaining a better understanding of the

consequences and impacts of the global pandemic and adjusting the procurement and infrastructure strategies to address the new challenges of the crisis. In this phase, while emergency responses are still required due to the need to respond urgently to sustain and maintain public services and thus the communities, there is no direct impact on human life and no threat to significant infrastructures. In the third phase, the focus would be on recovery policies, addressing consequences and impact of the crisis and rebuilding of societies and economies. This phase comes once the emergency has been contained and activities are returning to normal, including the procurement processes and infrastructure developments themselves. There is no longer an urgent need to respond, but there may be a need to rapidly activate non-essential procurement activities to contribute actively to the recovery of the economy and society, building on the strategic role that public procurement can play in the recovery phase. This phase could also provide an opportunity to revisit the procurement and public investment plans and make the necessary adjustments with the view of meeting recovery needs (OECD 2020b). This study is covering the first period.

Due to the burning and critical shortage, first answers by some government, and countries was to imposed export prohibitions and restrictions on essential goods, such as masks and ventilators to mitigate critical shortages at the national level.

The European Commission, made quickly the first step with publishing already 1th of April 2020, a guidance on how to use all the flexibilities offered by the EU public procurement framework in the emergency situation related to the coronavirus outbreak. The guidance provides an overview of the tendering procedures available to public buyers, applicable deadlines, and examples of how public buyers could find alternative solutions and ways of engaging with the market to supply much needed medical supplies. This possibility were launched by the Commission by five calls for tenders (possibility to use framework agreement) for the supply of medical countermeasures on 28 February (gloves and coveralls), 17 March (goggles, face shields and masks, as well as ventilators), 19 March (laboratory equipment, including testing kits) and 17 June (ICU medicines) countries (EC 2020a). The EU public procurement framework for the purchase of the supplies, services, and works provide the following option for consideration:

- in case of urgency public procurement buyers can have the possibilities to substantially reduce the deadlines to accelerate open or restricted procedures,
- if it would be not enough buyer can secure more flexibility to go for negotiated procedure without publication,
- even a direct award to a preselected economic operator could be allowed, in case of extreme urgency can be proved,
- last, but not least public buyers should also consider looking at alternative solutions and engaging with the market. (EC 2020c)

In case of using direct award (Negotiated procedure without prior publication), demonstrable justification needed that the contract is really linked to emergency reasons. Direct awards can be use really only to respond to current, urgent and unforeseeable needs. There must be genuine reason for extreme urgency, needs to prove that the extreme urgency was unforeseeable. Based on OECD recommendation first buyer should also check and excluded, that any existing contract is capable to fulfil the demand, in case of renewal. (OECD 2020a) Related to open procedures at emergency time there is also possibility for contracting authorities to set a shorter time limit for receipt of tenders, no less than 15 days counted from the date on which the contract notice was sent. Finally, framework agreements can be also a good basic to secure supply, even if demand is increasing rapidly in case supply base has enough capacity to do so.

By Government Procurement Agreement (GPA) limited tendering option provided, which is quite similar to the direct award, and same strict precondition needs to be proved: "insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering or selective tendering ". (Sigma 2020)

In the beginning most of countries focused on increasing capacity and equipping the health care system using emergency contracting framework and mostly relied on already established rules on emergency contracting for urgent purchasing needs. Besides there were some country specific action also, like in Italy some specific regulations adopted which simplified and creates flexibility to the system, naturally with the validity limitation to the necessary time to face the emergency itself. Some other countries, like Ukraine and Columbia, excluded the procurement of medical devices and personal protection items needed to handle the pandemic situation from the public procurement regulation. Belgium dedicated Operational Unit coordinated to ensures that the crisis infrastructure is fully operational. Further immediate public procurement policy responses were announced rapidly by several further countries, like Austria, Estonia, Finland, Germany, Poland, etc. (OECD 2020b)

2.1 Methodology

The study based on quantitative methodology, with primary data collection. Systematic investigation were done by gathering quantifiable data from Tenders Electronic Daily (TED). Tenders for **public contracts that fall under EU rules must be published** in the online version of Supplement to the Official Journal of the European Union must be published on this, so called TED portal. These data are transparently and real time available on the TED portal. To evaluate above hypotheses all cases TED advances search option were used.

In cases of all examined indicator current year data was compared to the relevant historical period of time. Based on the indicator, withdrawal of relevant data was done either on monthly base, or periodically. In case of periodic investigation, every year same months' period was checked, compared the pre-covid time (January- February) and crisis time (from April till July). Comparison aim is to present as the act to observe two or more things to discover their relationships or to estimate their differences and similarities. The methodology based on three factor, the object itself (public procurement and performance), the property of the object (notices on TED portal), and time in which they were relieved. (Piovani 2017)

During the analyses simple mathematical techniques were used, while comparing data between different time scales. To evaluate the effect of the corona virus on public procurement and performance of it, compares were done on more time scale, also year on year, and also on pre- and covid time period, and in relevant cases, monthly historically compares was also conducted.

Limitation of the analyses is, and only number of published notice can be evaluated, not covering value. Conclusions can be drawn only based on the number of the notices, which says nothing about the total value.

2. Result

First hypothesis is that, number of published notice during main crisis time is more than normal time (H1a). Based on EC guideline on measuring Public Procurement, publication rate can be one indicator of public procurement performance This figure measures the value of procurement advertised on TED as a proportion of national gross domestic product (GDP), as follows, higher score is better, as it means more companies can bid, bringing better value for money. It also means greater transparency, as more information is available to the public. (EC 2020b)

The evaluation drops of the total number if published notice can lead to the conclusion that public procurement generates less value and also shows less transparency. To evaluate the trend, monthly publication figure from TED were collected for 2020 and previous 4 years. (monthly withdrawal, with the search scope of all type of notice).

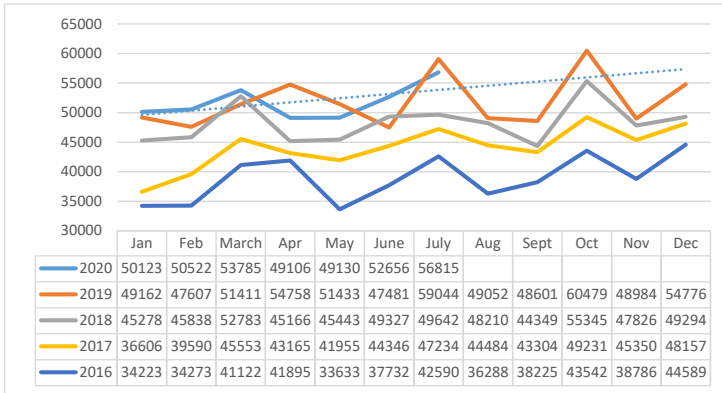


Figure 1: Number of notices published on TED overall figure (source TED, own editing)

Checking the historical flow of the monthly figures proves that till July there was no salient deviation in this year compared to previous examined period. A year on- year increase can be observed in the total figure, which is slowed down already on the year of 2018. There is still a 7.6% growth in the total figure compare to 2018 to 2019, and following the calculated trend line, roughly the same 62.000 pieces of notices is expected by end of this year. Also the peak season (highest monthly figure) follow the usual yearly trend, with the highest figure in July within the first seven months. Historically since 2016 July figures (number of total notice) are the highest once.

Only evaluating pandemic high season, April-May-June also do not show big deviation in percentage, compare to the examinable 7-month summary, the deviation is only in the range of +/-1%. What's more proving the stability is, that in the last 4 years share of May value is constant on 14% (counting 7 months total), same as in 2020, right in the middle of the first covid wave. (Figure 1)

In fact, the first hypothesis is refuted by the examined figures, there is no detectable significant changes in the total numbers. Number of published notice remained stable even in crisis time.

Second hypothesis were established accordingly: pandemic situation has impact on the buying authorities' combination, with growing percentage of ministry and any other national or federal authorities in the total notice figure. (H1b)

Based on TED definition, type of buyer is for information about the buyer, which can be regional or local authority, body governed by public law, ministry or any other national or federal authority, other, etc.

Table 1: Type of Authorities based (source of data: TED, own editing)

Type of buyer/Year	2016	2017	2018	2019	2020
Bodies governed by public law	21%	22%	21%	22%	22%
European Institution/Agency or International Organisation	1%	1%	1%	1%	1%
Ministry and any other national or federal authorities	11%	11%	10%	10%	10%
National and federal agencies	2%	2%	2%	2%	2%
Not applicable	0%	1%	1%	0%	1%
Not specified	3%	1%	0%	0%	0%
Other	16%	18%	16%	19%	19%
Regional and local agencies	3%	3%	3%	3%	3%
Regional and local authorities	34%	32%	37%	32%	31%
Utilities entity	9%	10%	9%	11%	11%

TED data were collected on Yearly based for the European Economic Area included European Union's countries and The European Economic Area (Iceland, Lichtenstein, Norway), United Kingdom still included, all together 32 countries. Result of the investigation is visualized in Table 1.

Contrary to the hypothesis and expectation, there is again no significant change in the share between the different type of buying authorities. The percentage between the tender issuing bodies can be considered as stable, not just only from last year to this year, but even on the longer term, back to 2016, same shares are kept with very negligible deviation. Percentages between the different type of authorities do not show any deviation, based on 7 months' data either, between normal times, and though time in this year, thus second hypothesis also disproved.

Third hypothesis were established on the change of the combination of different type of contract with the hypothesis that the share of supplies should increase during covid time. (H1c)

To get visibility on the possible changes, in the share of the different type of the tenders, also TED's data was collected, and analysed. "Type of contract" was used as base of the query, which by definition can be: service, supply work, combined or not applicable. Figures show number of published notices per type, again for the European Region.

Traditionally, service type of contract represents the biggest share, around 40-55% of the total portfolio, while combined and not applicable categories are traditionally the smallest one. In the split between the different type of contracts, no remarkable change happened during the first wave. While January and February figures were in line with 2019 year once, since the outbreak of covid a small decrease could be observed in the total figures. The only exceptional month is May where the cumulated total figure shows a 10,7% increase versus the previous year. Compared to previous year figure both service and works related notices are less, so the growth is only coming from the significant increase of supplies notice increase. Result refers to Table 2.

During examination there is two more figure which seems to be not following the usual, traditional trend. Beside the fact that the trend line is matching with previous years', and also the total notice figure can be considered on the same level, there is only on remarkable figure from this year. Service level in February has a peak of 57% share in the total, which is historical high in the examined period. This high number can be considered as pre-effect of the virus situation.

Table 2: Type of contracts (source:TED, own editing)

	Type of contract (piece)					Type of contract %					
Year	Not					Not					
	Combined	applicable	Services	Supplies	Works	Sum	Combine	applicable	Services	Supplies	Works
January											
2016	0	26	16225	11835	5224	33310	0%	0%	49%	36%	16%
2017	17	34	18627	11928	5227	35833	0%	0%	52%	33%	15%
2018	1	28	22269	15419	6767	44484	0%	0%	50%	35%	15%
2019	0	35	24032	16737	7475	48279	0%	0%	50%	35%	15%
2020	2	9	24347	17092	7937	49387	0%	0%	49%	35%	16%
February											
2016	2	10	6839	6245	1511	14607	0%	0%	47%	43%	10%
2017	18	6	11632	8847	4499	25002	0%	0%	47%	35%	18%
2018	4	15	9753	7213	4468	21453	0%	0%	45%	34%	21%
2019	1	24	13332	8459	6168	27984	0%	0%	48%	30%	22%
2020	0	8	15544	8571	3220	27343	0%	0%	57%	31%	12%
March											
2016	2	11	7741	5683	1568	15005	0%	0%	52%	38%	10%
2017	29	21	11789	8817	5264	25920	0%	0%	45%	34%	20%
2018	10	21	10883	8024	5676	24614	0%	0%	44%	33%	23%
2019	1	16	17793	12958	7942	38710	0%	0%	46%	33%	21%
2020	3	5	16697	10592	7818	35115	0%	0%	48%	30%	22%
April											
2016	0	13	11594	10441	4173	26221	0%	0%	44%	40%	16%
2017	8	24	14302	11528	5663	31525	0%	0%	45%	37%	18%
2018	0	14	12931	10463	5516	28924	0%	0%	45%	36%	19%
2019	1	13	18892	11827	7831	38564	0%	0%	49%	31%	20%
2020	2	45	16886	11204	7727	35864	0%	0%	47%	31%	22%
May											
2016	2	14	6095	6115	1968	14194	0%	0%	43%	43%	14%
2017	16	25	15861	9330	6396	31628	0%	0%	50%	29%	20%
2018	0	20	13410	10600	6004	30034	0%	0%	45%	35%	20%
2019	5	18	16198	9916	7735	33872	0%	0%	48%	29%	23%
2020	0	10	15349	14467	7693	37519	0%	0%	41%	39%	21%
June											
2016	3	7	8438	6377	1578	16403	0%	0%	51%	39%	10%
2017	8	10	9534	6334	4304	20190	0%	0%	47%	31%	21%
2018	1	9	16199	9653	3410	29272	0%	0%	55%	33%	12%
2019	0	7	17468	12767	4118	34360	0%	0%	51%	37%	12%
2020	0	2	13679	8903	3203	25787	0%	0%	53%	35%	12%
July											
2016	2	3	5952	6604	1592	14153	0%	0%	42%	47%	11%
2017	5	27	15172	8766	5964	29934	0%	0%	51%	29%	20%
2018	465	18	15059	9451	6416	31409	1%	0%	48%	30%	20%
2019	0	12	15461	9939	5959	31371	0%	0%	49%	32%	19%
2020	0	1	13070	10040	3258	26369	0%	0%	50%	38%	12%

The other remarkable change compare to previous time frame is, in the number of not applicable notice type, which increase also significantly versus usual level in the month of May. Besides overall figures on not applicable notice, shows total opposite picture. Previous 4 years' average of the not applicable notice is around 16, while this year May figure shows 45. Investigating in the total figure of the 7 months' data in 2020, shows significant lower total with the figure of 80 notices, than previous 2 years (both in 2019 and 2018 figure was 125). There were 2 months of covid time May and July where the increase of the published notice was higher than historically before.

Another notifiable change is on the general trend line if pre-covid time and covid time is compared. 2020 January and February is still following the increasing number in issued supplies related notices, which meaning that each January in February total figures are higher than the previous year same period related number. If figures are checked in covid time this increase is stopped, and besides the fact that there are outstanding 2 months with significant increase, all the other months are less than same months in previous year. This is resulting that, the previous trend on continuous year on year growth in total figure stopped in 2020, which can be linked to the pandemic situation.

Next step notices were checked based on the award criteria, as in H2a hypothesis it was considered that tenders with lowest price award criteria should increase during the first covid wave.

Award criteria measures the proportion of procedures awarded solely because the offer was the cheapest one available. (EC 2020b)

The 3 major award categories are the lowest price, the most economic and the mixed one. Public procurement considered to have better performance if there is more contract awarded based on most economical solution criteria. To analyse possible impact of covid, last 3-year data, from 2018 to 2020 were collected, each on two different time scale, from January to February, and from March to July period. Geographical scope defined as above.

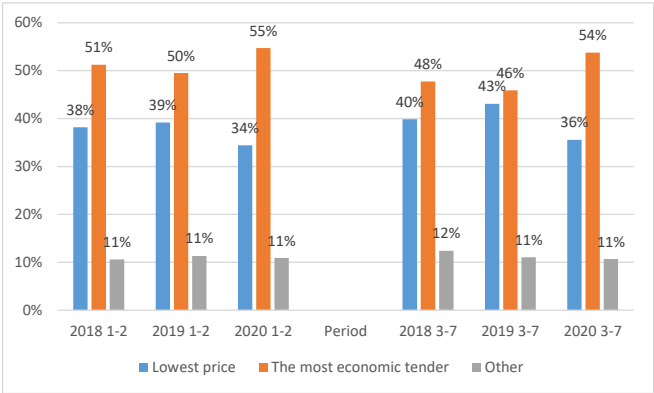


Figure 2: Award criteria (source: TED)

Compares were done based on the percentage of the different award criteria, versus the relevant time period each year (Figure 2.) Full year data were also checked for 2018 and 2019, but as this data is not available yet for 2020, and also trend line is highly unpredictable, finally the 7 months' data were considered as base of the compares.

Ground of the hypotheses is, that the emergency situation, the time pressure and all given limitation in supply chain result, that public procurement buyers use more the lowest price criteria instead of the most economic award, due to its simplicity.

In contrast with the expectation, collected and examined data shows completely the other way around. There is a visible increase in favour of the most economic award criteria. January-February period shows 5% increase, while March-July period shows 8% increase versus 2019, and settled on 54% and on 55%. The increase is in line with the decrease of the percentage of lowest price, which dropped by 5% in the first two months compare 2019 same period, and decreased with 7% in period of March-July. This figures could indicate even better performance of the public procurement activity during covid time, as buyer used more from award criteria which create more value.

Finally, investigation was done in the number of more and less competitive procedures, to support or refuse hypothesis, that during pandemics situation public procurement buyers rather use less competitive procedures than more competitive once (H2b).

There is more different type of tenders, that can be used in public procurement process, but not all bidding models are equal from the point of view of competition, thus effectiveness of the different type of procedures might be different also. Where there are enough firms in the procurement market to sustain reasonable competition, efficient procurement outcomes can usually be achieved through a simple tender process, like open tendering process, or when there are not enough firms to sustain competition, more sophisticated arrangements may be necessary to achieve an efficient outcome. It's defined by the circumstances to use most suitable bidding model. (OECD 2011)

To underline the current hypothesis same source of information was used (TED) as in the previous point, with filter criteria of type of tender and a country of buyer. Different type of tenders can be grouped in less and more competitive procedures. Split in terms of competitiveness between the different type of procedures described in the below table (Table 3.), including cumulated figures for European region.

Table 3: Type of procedure, cumulated figures (source:TED)

Type of procedure/Time period (number of notice)	2018 1-2	2019 1-2	2020 1-2	2018 3-7	2019 3-7	2020 3-7	2018	2019	2020 1-7
Less Competitive	7603	8382	9416	16548	17249	23570	51690	44767	23570
Accelerated restricted procedure	28	44	564	77	1412	54	3083	3384	54
Concession award without prior concession notice	9	0	36	31	27	62	65	80	62
Contract award without prior publication	1451	1507	1623	3295	0	3859	9110	0	3859
Direct award	307	187	235	104	80	75	470	298	75
Negotiated procedure without a call for competition	2398	2678	2735	4329	5674	10052	16409	16409	10052
Restricted procedure	3410	3966	4223	8712	10056	9468	22553	24596	9468
More Competitive	67538	80606	79583	170193	206999	223922	493965	542124	223922
Accelerated negotiated procedure	5	3440	3	71	7	13	1990	199	13
Competitive dialogue	266	284	272	672	3754	660	1682	9537	660
Competitive procedure with negotiation	60627	72805	72464	9586	11585	11173	23092	27805	11173
Concession award procedure	3311	4014	3074	1100	69	1233	195	176	1233
Innovation partnership	18	23	20	15	104	61	167	32	61
Negotiated procedure	3274	14	3711	8197	9237	9990	21639	22314	9990
Open procedure	37	26	39	150552	182243	200792	445200	482061	200792
Unknown	4098	4672	3618	6900	7805	9388	21468	23683	9388
TOTAL	79239	93660	92617	193641	232053	256880	567123	610574	256880
Type of procedure/Time period (% vs total)	2018 1-2	2019 1-2	2020 1-2	2018 3-7	2019 3-7	2020 3-7	2018	2019	2020 1-7
Less Competitive	9,6%	8,9%	10,2%	8,5%	7,4%	9,2%	9,1%	7,3%	9,2%
More Competitive	85,2%	86,1%	85,9%	87,9%	89,2%	87,2%	87,1%	88,8%	87,2%
Unknown	5,2%	5,0%	3,9%	3,6%	3,4%	3,7%	3,8%	3,9%	3,7%

Collected information proving again, the tendency of growing overall number of the notices in 2020 compared to previous years. Further analyse of the periodical historical trend, comparing same period of January – February data in the year of 2018, 2019, 2020 shows only small changes. Comparing same January-February period in the examined three years, increase of the less competitive procedures is noticeable. This 1,3% increase of the less competitive tender is clearly coming from the better administrative categorization of the buyers, as this increase is in line with the decrease of the unknown category. It also follows that there is no significant decrease in the more competitive procedure, only a small decrease of 0,2%. Examining next 5 months, the “paramedical period” from March till July, shows very similar situation. Less competitive type of notices increased with 1,8%. Base ground of the increase is coming from to type of less competitive tenders' number increase. Both contract award without prior publication and negotiated procedure without a call for competition type of tender share increase with 1.5% compare to the total. Meanwhile there is a 1% decrease of the competitive dialogue, 0.6% decrease of the competitive procedure with negotiation, and 0.4% decrease in open procedure's figure compare to previous year figure, which lead to the overall decrease in the percentage of the more competitive procedure with 2%.

As, during the first wave, the increase in the percentage of the less competitive types of procedure is fully coming from the percentage of the more competitive once, this can lead to the consequence, that public procurement performance can be worthier in emergency time, than in normal time.

Discussion and Conclusion

In summary examined figures shows mixed picture. High level analyse on the general figure of the public procurement, indicate no change within public procurement in pandemic situation than before. Overall number of tender notices on TED did not changed trend follows previous years one, also there is no protrusive increase in any type of tender issuing organization. In total figure there is also no trackable changes on the type of contract, there is no significant increase or drop non in the categories.

Analyse of the covid effect on public procurement performance was done along two indicators, one is the award criteria and the other one is the type of the contracts. Basic consideration that on emergency time there is a decrease in public procurement performance is not underlined, but even not disproved. Investigation of award criteria showed that there is even remarkable increase of using the most economical award criteria against the lowest price, which indicate more value added, thus better performing procurement activity. From the other end with the prove of the fifth hypothesis, that during the recent 5 months' buyer used higher percentage of less competitive tender type, indicate and prove that problematic situation, can lead to performance loss.

After the first phase of emergency buying now we are on the phase when re-assessment of the situation needed, and preparation for the next wave is mandatory the secure economic stability, health and safety of every citizen. Gaining a better understanding of the consequences and impacts of the global pandemic and adjusting it to local and regional procurement strategies can help to overcome current and next challenges, not just directly related to the crisis. There is a strategic role of public procurement and how government use this tool in the post-crisis recovery and preparation for the next crisis one.

Due to the short time frame, the study was done after the first wave, there is still limitation of this article to give the full picture and clear direction on the effect of pandemic on public procurement and its performance. Recommendation is to repeat the study when full year data will be available and/or when first 7 months' data will be available not only by numbers but with value also. Comparing quantity of tenders, notices with consideration of value of them, can show total different picture. Also in terms of GDP, only quarter one data is available by now, and only a few countries issued second quarter data yet, thus compare in share of GDP can create differences also.

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